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SUBJECT: PRM TRIP REPORT: CROATIA'S PROGRESS ON REFUGEE RETURN,  
REINTEGRATION

REF: ZAGREB 468

SUMMARY

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11. (SBU) Belgrade-based Regional Refugee Coordinator for the Balkans traveled to Croatia, June 10-13, to assess the status of refugee returns and to discuss concerns of displaced persons and returnees. Meetings with representatives of the Government of Croatia, the United Nations High Commissioner for Refugees (UNHCR), civil society, local government entities, and returnees focused on sustainability of minority returns. Although conditions for returnees have improved and Croatia has made strides to promote a multi-ethnic state, interlocutors emphasized the need for the GOC's continued action and the international community's engagement to resolve outstanding issues related to return and reintegration of ethnic minorities.

ACCELERATED PLAN TO RESOLVE OCCUPANCY TENANCY RIGHTS CASES  
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12. (SBU) The GOC's draft Action Plan for the Accelerated Implementation of the Housing Care Program, which was shared with the Embassy and other international community officials in early June, calls for the government to resolve outstanding claims of former occupancy and tenancy rights holders (ex-OTR holders) who seek to return to Croatia by the end of 2009, two years ahead of earlier deadlines. Milivoj Mikulic, State Secretary of the Ministry for Regional Development, Reconstruction, and Return, told RefCoord on June 10, that he was committed to implement the detailed plan. Mikulic said that the government had committed sufficient funds to resolve all claims. He attributed delays in resolving 1,400 tenancy rights cases during 2007 to administrative setbacks in dealing with property and land issues, rather than budgetary concerns. "We will handle housing care. The money is there," he said. Mikulic said that the government would process the backlog of cases by June 30 and aimed to resolve the remaining caseload of about 4,400 claims by the end of 2009.

13. (SBU) Mikulic told us the GOC was focusing first on resolving housing care for ex-OTR holders, approximately 60% of whom are ethnic Serbs and 40% of whom currently reside in Serbia awaiting a decision on their claims. He noted that the government would also need to resolve the claims of Bosnian Croats to housing solutions. Regarding ex-OTR holders with claims involving property outside the designated (mainly war-affected) Areas of Special State Concern (ASSC) who had yet to apply for housing care, Mikulic said that the September 2005 deadline had already passed, but that they could apply for housing care inside the ASSC, noting that there was no deadline for applying for housing care inside the ASSC.

14. (SBU) Referring to the quality of the housing care allocated, Mikulic and his assistant said the apartments were generally in average to good condition. (NOTE: In a subsequent meeting with representatives of the international community (REFTEL), GoC officials acknowledged that some of the housing still required repairs, and committed to doing them. END NOTE) Mikulic added that

returnees received 500 HRK (approximately US \$106) per month for six months following their return. Finally, he claimed the GOC was very much in favor of return, arguing that they had been few cases of ethnic tension related to returnees in the country.

#### UNHCR: RENEWED GOC FOCUS ON SOLUTIONS ENCOURAGING

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15. (SBU) Outstanding issues related to housing care for ex-OTR holders and claims to pension rights earned between 1991 and 1995 in areas outside of Croatian control during the war were on our agenda for a June 10 meeting with UNHCR Croatia Representative Wilfried Buchhorn, Associate Protection Officer Mario Pavlovic and Durable Solutions Assistant Borka Vukelic. Buchhorn noted that the formation of the new government in late 2007 signaled a reinvigorated focus on durable solutions for returnees. He said the swift compilation and May publication of the "Rulebook on Convalidation of Working Years" was a positive step toward a permanent solution. He cautioned, however, that the existing decree on convalidation, which required applications to be submitted by April 10, 1999, had either to be voided or overlooked for officials to process new requests.

16. (SBU) UNHCR staff told us that the government was still working to meet certain benchmarks for housing care for ex-OTR holders that were part of Croatia's opening negotiations on Chapter 23 (Judicial and Fundamental Rights) of the EU Accession process. Pavlovic emphasized that it was not just the "hardware" of housing and reconstruction that was most important, but the process of reconciliation for ethnic minorities and the majority that mattered for the long term sustainability of return. He said that one key component of this would be the implementation of the new law on employment of minorities in public administration as a percentage of

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the population.

17. (SBU) Following the closure of the OSCE Croatia mission in late 2007, UNHCR has taken on a more central role in monitoring Croatia's progress on remaining issues related to returns, Pavlovic said. Pavlovic told us that the Ministry for Regional Development had asked UNHCR to review about 850 negative applications for housing care outside the ASSC, under a newly established appeals process (REFTEL). Pavlovic said that 50% of the 177 cases he had personally reviewed to date required revisions. He considered the government's willingness to involve UNHCR in the process and to reverse its own decisions a sign of increased transparency and commitment.

#### BRIDGING THE GAP BETWEEN ZAGREB AND REST OF CROATIA

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18. (SBU) According to Tomo Aracic, president of the Association of Settlers and an advisor to the GOC on regional development, reconstruction, and return, the key ingredient to the normalization of life in war-torn areas is property repossession. Economic revitalization follows a close second. Based in Knin, in the Dalmatian hinterland, Aracic works closely with ethnically diverse communities and has good insight into life outside the capital. He told us, during a June 11 visit to Knin, of the work still to be done to bridge the gap between the political will in the capital and the lack of capacity and expertise of government offices outside Zagreb to actually implement the government's decisions and provide the durable solutions for refugees and returnees.

#### CROATIAN RED CROSS ASSISTANCE TO VULNERABLE RETURNEES

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19. (SBU) According to Croatian Red Cross (CRC) Regional Coordinator Mirjana Ercegovic, returnees, particularly elderly women and individuals in poor health continue to trickle into Croatia. Ercegovic told us on June 12, that, the previous week, CRC had assisted the return of two extremely vulnerable returnees, aged 95 and 97. Ercegovic said these individuals had returned to Croatia to die where they had been born. (In partnership with UNHCR, the CRC assists elderly returnees to access health care and to reintegrate in their place of origin. The CRC also monitors the health of

returnees via mobile teams in remote locations of the country.)

SERBIAN DEMOCRATIC FORUM: DPM LEADERSHIP PROMISING

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¶10. (SBU) Leaders of the Serbian Democratic Forum (SDF), an NGO, told us during a June 12 meeting that they are impressed with Deputy Prime Minister Uzelac and that they appreciated the opportunity to speak with his staff candidly, and on a regular basis, about minority issues. SDF, a UNHCR implementing partner, provides free legal aid to minority returnees in three phases of return: personal documentation, property repossession and integration. SDF leaders stressed that more work was needed to resolve the still outstanding housing reconstruction cases, but conceded that much reconstruction that had already taken place was of high quality.

¶11. (SBU) Although SDF staff expressed concern that the GOC had provided insufficient guidance on the implementation of the Rulebook on Convalidation, they noted a significant increase in requests for convalidation since the publication of the Rulebook in May -- fifty requests daily, in the past month. SDF leadership was cautiously optimistic that the process would go well. SDF expected that the GOC would continue to accept applications, but predicted that some applications would likely be denied for insufficient or improper documentation.

¶12. (SBU) SDF leaders also said that OTR cases that the GOC had considered "resolved" would take some time to complete. They said some housing units were of questionable quality and/or were occupied. They estimated that 30% of the "resolved" cases still require additional work. Our SDF interlocutors said that there were no guarantees that the government would resolve all of the remaining cases, but acknowledged that the GOC was making steady, albeit slow progress on housing care.

KNIN LEADERS CLAIM CITY AN EXAMPLE OF ETHNIC HARMONY

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¶13. (SBU) Knin Deputy Mayor Dragan Jerkovic and local MP Tomislav Vrdoljak told us that they considered Knin an ideal example of ethnic harmony. "We have had no inter-ethnic disputes, and we are proud that unlike in Vukovar, for example, children of all ethnicities here attend school together," Jerkovic said. Vrdoljak added that the return process in Knin was on balance successful; 2,000 of the city's current 17,000 residents were ethnic Serbs. Jerkovic said housing care for 28 families in Knin had been resolved, and he anticipated resolving an additional 200 by the end of the year. "All ex-OTR holders who want to return to Knin and who request housing care will receive it," he said. Vrdoljak concluded

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that Knin was in the process of implementing Croatia's new constitutional law on minorities, which he deemed one of the best in Europe.

¶14. (SBU) We visited Susa Vukosava, a former OTR holder who received an apartment in central Knin in 2007 through the housing care program. Vukosava, a single mother, told us that she had not yet moved into the apartment and was staying with family in a nearby village. We toured the apartment, which requires some basic repair, but is in overall fair condition, with running water and electricity. According to UNHCR, the apartment was representative of the "average" allocated under the housing care program.

RETURNEES GLAD TO BE BACK, DESPITE CHALLENGES

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¶15. (SBU) Satisfaction to be back in their homes was the defining sentiment for several ethnic Serb returnee families we visited in the Lika and Zadar Hinterlands. For the Buljevic family, who returned to the small village of Muskovci in 2000 with UNHCR assistance, hard work and the resolve to make peace with former neighbors are critical to sustainable return. "I have former neighbors who still live in dilapidated shelters in Vojvodina and are interested in returning, but they think it can be done overnight; it just isn't possible," said Buljevic. Buljevic told us

that he had invested much of his own labor into rebuilding his home with the reconstruction materials he received from the government.

¶16. (SBU) For others like the Lakic family, the process of return proved more challenging. The family was among the first to return, in 2006, to the devastated, heavily mined Benkovac region. The Lakic home, now a solid stone structure, has been completely rebuilt. The family depends on agricultural activity for a subsistence-level income. Nevertheless, for the elder Lakic, he would not trade being home for anything in the world. "There were many obstacles to my return, but I am happy to be back in my home," he said.

COMMENT

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¶17. (SBU) Croatia has made steady progress in recent years on return and reintegration of ethnic minorities. As the Croatian government recognizes, more remains to be done. As the country continues along its European path, engagement from European institutions, particularly the EU, will be important to encouraging the GoC to resolve these issues.

¶18. (U) Embassy Zagreb has cleared this cable.

MUNTER